

Message Text

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TAGS: EINV, RO, EEWT

SUBJ: GOR-ISLAND CREEK JOINT VENTURE: ROMANIAN DEPENDENCE ON

USSR FOR COKING COAL

REF: BUCHAREST 3979

1. SUMMARY - FOR PAST TWO YEARS ROMANIA HAS BEEN LEADING IMPORTER OF SOVIET COKE, TAKING NEARLY ONE-FOURTH OF ALL SOVIET EXPORTS IN 1974. HOWEVER, SOVIET SUPPLY SITUATION IS TIGHT DUE TO STEADY RISE IN INTERNAL REQUIREMENTS, AND TOTAL EXPORTS DECLINED SLIGHTLY IN 1974 FROM 1973. EAST EUROPEAN EXPORT AVAILABILITIES ARE REPORTEDLY LIMITED. CONSEQUENTLY, EMBASSY BELIEVES IT WOULD BE RELATIVELY EASY FOR USSR AND OTHER CEMA COUNTRIES TO REFUSE ROMANIAN REQUESTS FOR MORE COKE

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TO OPERATE AN EXPANDED IRON AND STEEL INDUSTRY. SOVIETS COULD

ALSO DEMAND THAT ROMANIANS RESTRICT COKE IMPORTS IN CONFORMITY WITH SOME TYPE OF ALLOCATION SYSTEM WITHIN FRAMEWORK OF CEMA INTEGRATION PROGRAM. END SUMMARY.

2. EMBASSY SUBMITS FOLLOWING AS SUPPORT FOR EMBASSY BUCHAREST'S COMMENTS ON GOR-ISLAND CREEK JOINT VENTURE, PARTICULARLY IN REGARD TO PARA 2(D) OF REFTEL AND WHAT WE REGARD AS IMPORTANT AND SENSITIVE ISSUE OF POTENTIAL ROMANIAN VULNERABILITY TO SOVIET/CEMA PRESSURE ON SUPPLY OF COKING COAL.

3. USSR FOREIGN TRADE STATISTICS FOR 1973 AND 1974 SHOW ROMANIA AS LARGEST IMPORTER OF SOVIET COKE, TAKING NEARLY 25 PERCENT OF TOTAL EXPORTS LAST YEAR. OFFICIAL STATISTICS FOLLOW:

SOVIET EXPORTS OF COKING COAL (THOUSANDS OF TONS)

COUNTRY	1973	1974
ROMANIA	1,332	1,175
GDR	1,077	1,036
HUNGARY	638	656
FINLAND	603	597
BULGARIA	294	294
SWEDEN	225	170
NORTH KOREA	122	106
TOTAL	4,291	4,034

NO STATISTICS ARE GIVEN FOR WASHED COKING COAL, ALTHOUGH THIS MAY BE INCLUDED IN CATEGORY FOR HARD COAL AND ANTHRACITE WHICH SHOW ROMANIAN IMPORTS FOR 1973 AND 1974 RESPECTIVELY AS 650 AND 514 THOUSAND TONS, RANKING ABOUT TENTH.

4. SOVIET DOMESTIC DEMAND FOR COKING COAL IS STEADILY RISING AND IT IS ALSO OUR UNDERSTANDING, AS EMBASSY BUCHAREST SUGGESTS, THAT EXPORT POSSIBILITIES IN EASTERN EUROPE, INCLUDING CZECHOSLOVAKIA AND POLAND, ARE LIMITED AND MAY NOT KEEP PACE WITH ROMANIAN REQUIREMENTS. WE NOTE, INCIDENTALLY, THAT ONLY RECIPIENT OF LIMITED OFFICIAL USE

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SOVIET COKE NOT ASSOCIATED WITH CEMA IS SWEDEN, WHICH INDICATES THAT THIS IS RARE COMMODITY ALLOCATED ALMOST COMPLETELY TO "FRATERNAL SOCIALIST COUNTRIES." IT IS ALSO SIGNIFICANT THAT EXPORTS IN 1974 DECREASED SLIGHTLY FROM 1973 LEVEL, FURTHER CONFIRMING TIGHT SOVIET SUPPLY SITUATION.

5. GIVEN THE ABOVE, IT WOULD BE RELATIVELY EASY FOR

SOVIETS AT ANY TIME OVER NEXT SEVERAL YEARS TO PLEAD
INABILITY TO MEET INCREASED ROMANIAN DEMANDS OR TO
INSIST ON SOME FORM OF RATIONING FO EXPORTS IN ACCORDANCE
WITH THEIR (AND CEMA SECRETARIAT'S) VIEW OF WHAT IS
CORRECT FOR CEMA INTEGRATION. IN SUM, ROMANIAN FUTURE
POSITION, ESPECIALLY IF, AS EMBASSY BUCHAREST NOTES,
REQUIREMENTS INCREASE SUBSTANTIALLY, SEEMS VERY
VULNERABLE INDEED.

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